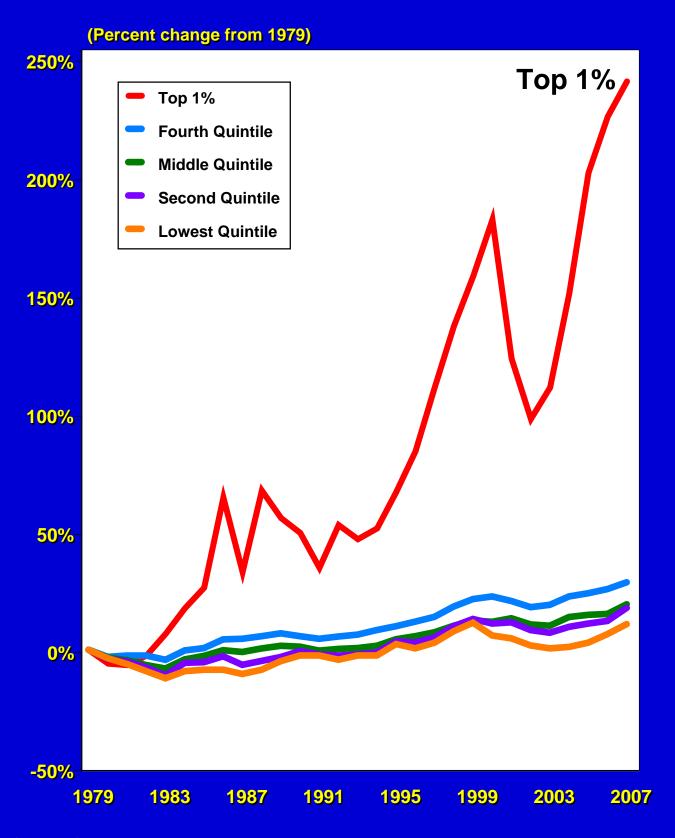
Income Disparity Growing



Source: CBO

Note: Pre-tax household income.

Breakdown of U.S. Taxpayers

Average Income in 2011

Top 1 Percent

\$1.5 M

Top Quintile

\$252,000

Fourth Quintile

\$80,000

Middle Quintile

\$45,000

Second Quintile

\$25,000

Lowest Quintile

\$9,000

Source: Tax Policy Center

Note: Pre-tax household income.

The New York Times

THURSDAY, JANUARY 5, 2012

Harder for Americans to Rise From Economy's Lower Rungs

By JASON DePARLE

WASHINGTON — Benjamin Franklin did it. Henry Ford did it. And American life is built on the faith that others can do it, too: rise from humble origins to economic heights. "Movin' on up," George Jefferson-style, is not only a sitcom song but a civil religion.

But many researchers have reached a conclusion that turns conventional wisdom on its head: Americans enjoy less economic mobility than their peers in Canada and much of Western Europe. The mobility gap has been widely discussed in academic circles, but a sour season of mass unemployment and street protests has moved the discussion toward center stage.

Former Senator Rick, Santorum of Pennsylvania, a Republican candidate for president, warned this fall that movement "up into the middle income is actually greater, the mobility in Europe, than it is in America." National Review, a conservative thought leader, wrote that "most Western European and English-speaking nations have higher rates of mobility." Even Representative Paul D. Ryan, a Wisconsin Republican who argues that overall mobility remains high, recently wrote that "mobility from the very bottom up" is "where the United States lags behind."

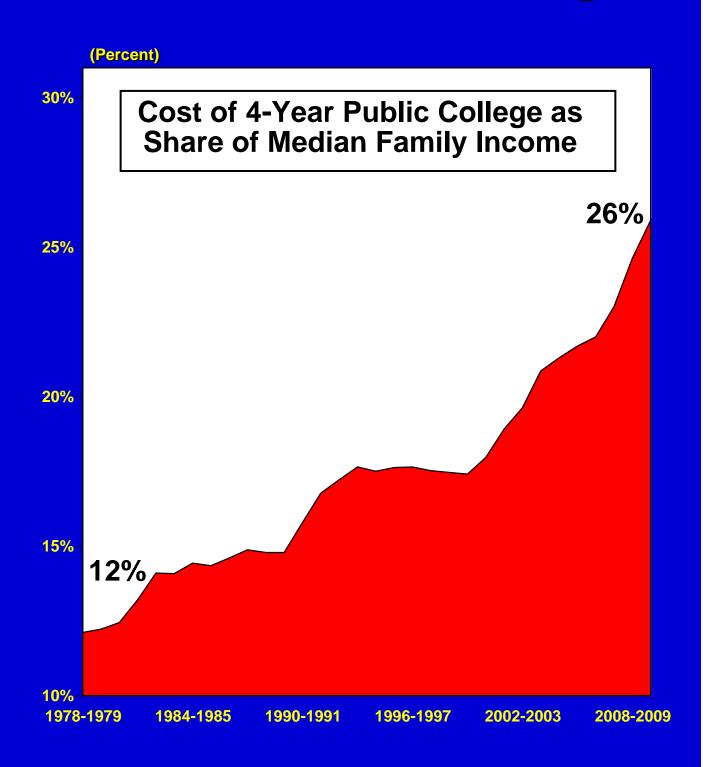
Liberal commentators have long emphasized class, but the attention on the right is largely new.

"It's becoming conventional wisdom that the U.S. does not have as much mobility as most other advanced countries," said Isabel V. Sawhill, an economist at the Brookings Institution. "I don't think you'll find too many people who will argue with that."

One reason for the mobility gap may be the depth of American poverty, which leaves poor

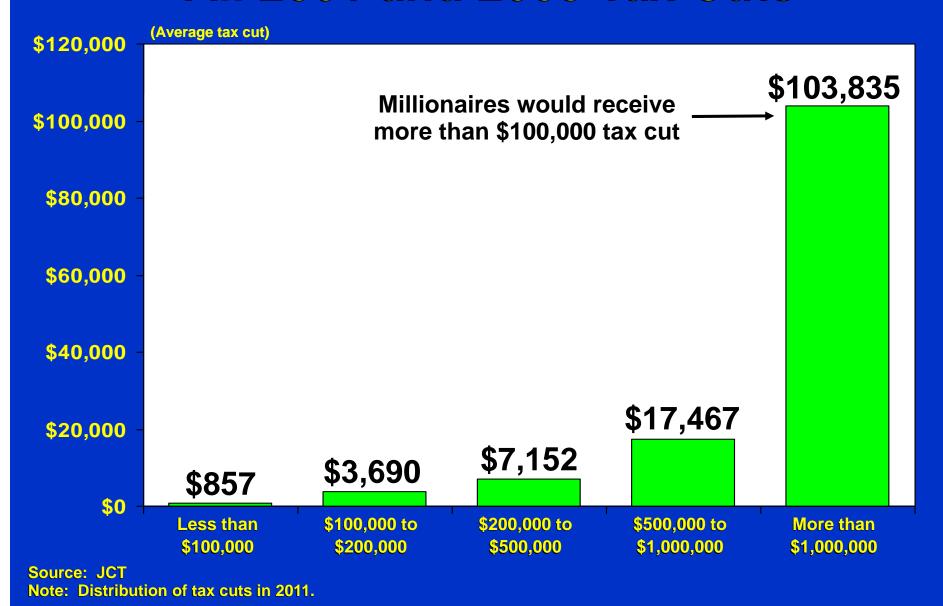
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Cost of College Education Soaring

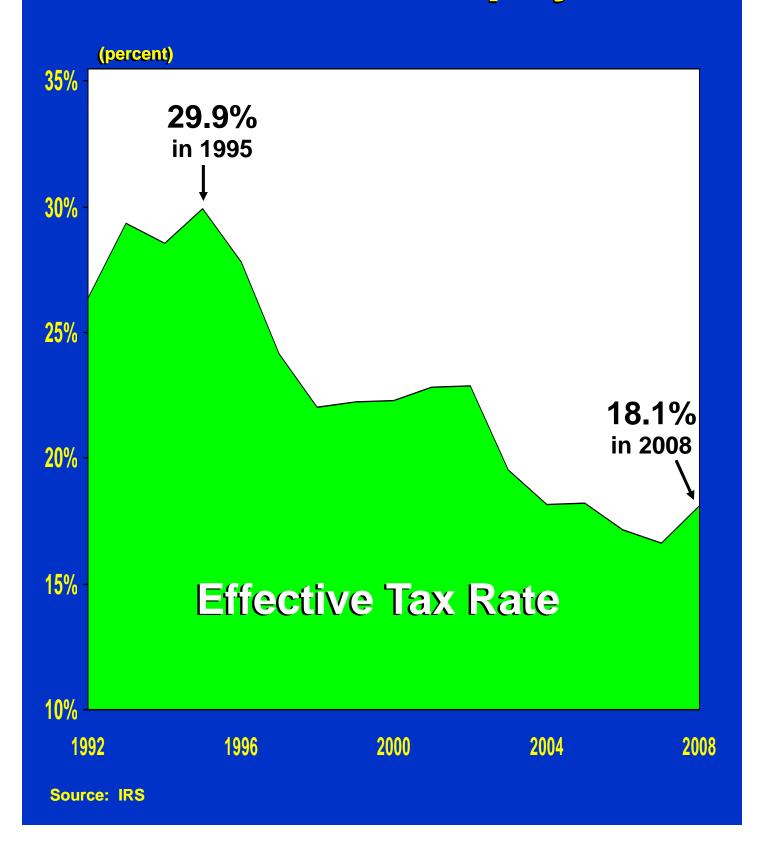


Source: SBC calculations using data from National Center for Education Statistics and Census Bureau, U.S. Department of Commerce

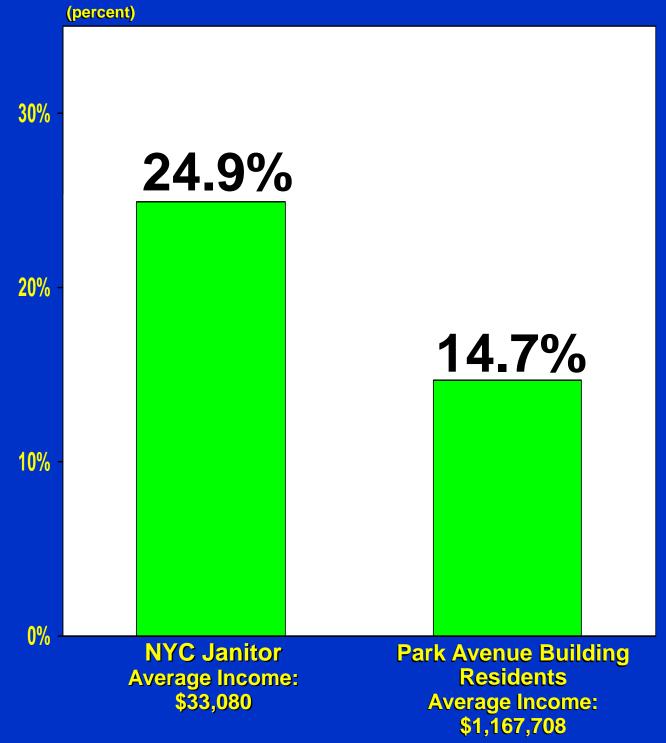
Distribution of Benefits from Extending All 2001 and 2003 Tax Cuts



Effective Tax Rate for 400 Wealthiest Taxpayers



Effective Tax Rate of NYC Janitor vs. Park Avenue Building Residents



Note: As cited in Tax Notes, by Martin Sullivan, February 22, 2011.

Source: IRS

President Obama on Why Inequality Matters

"[T]his kind of inequality – a level that we haven't seen since the Great Depression – hurts us all. When middle-class families can no longer afford to buy the goods and services that businesses are selling, when people are slipping out of the middle class, it drags down the entire economy from top to bottom....

"Inequality also distorts our democracy. It gives an outsized voice to the few who can afford high-priced lobbyists and unlimited campaign contributions, and it runs the risk of selling out our democracy to the highest bidder....

"But there's an even more fundamental issue at stake. This kind of gaping inequality gives lie to the promise that's at the very heart of America: that this is a place where you can make it if you try."

President Barack Obama
Speech on Economy in Osawatomie, Kansas
December 6, 2011